

The opinion in support of the decision being entered today was not written for publication and is not binding precedent of the Board.

Paper No. 15

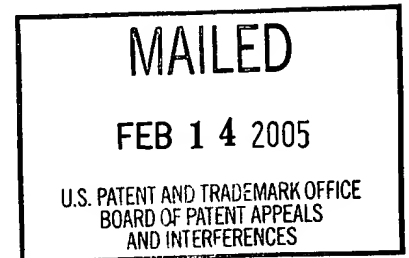
UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES

*Ex parte* IAN M. DRYSDALE

Appeal No. 2004-1809  
Application No. 09/466,271

ON BRIEF



Before FLEMING, OWENS, and NAPPI, *Administrative Patent Judges*.  
OWENS, *Administrative Patent Judge*.

*DECISION ON APPEAL*

This appeal is from the final rejection of claims 1-21, which are all of the claims in the application.

*THE INVENTION*

The appellant claims a method and point of service terminal for performing a card transaction. Claim 1, which claims the method, is illustrative:

1. A method of performing a card transaction, the method comprising:

accessing a web server using a transaction device,  
wherein the web server includes commands for processing the transaction; and

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entering a transaction card into a card reader of the transaction device in order to enter transaction information associated with the card into the web server;

wherein the transaction device does not utilize proprietary software of a merchant service provider to complete the transaction.

#### *THE REFERENCES*

Muftic	5,850,442	Dec. 15, 1998
Athing et al. (Athing)	5,987,498	Nov. 16, 1999

#### *THE REJECTIONS*

The claims stand rejected under 35 U.S.C. § 103 as follows: claims 1-3, 5-15 and 17-19 over Muftic, and claims 4, 16 and 20 over Muftic in view of Athing.<sup>1</sup>

#### *OPINION*

We reverse the aforementioned rejections.

The appellant's independent claims require a transaction device having a card reader (claim 1), or a point of service terminal (claims 11 and 12), that does not use proprietary software of a merchant service provider to complete a transaction.

The examiner argues that Muftic discloses "accessing a web server using a transaction device, wherein the web server includes commands for processing the transaction (Col. 9, lines 15-55)" (answer, page 3). The portion of Muftic relied upon in support of

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<sup>1</sup> A rejection of claim 21 under 35 U.S.C. § 112, first paragraph, is withdrawn in the examiner's answer (page 6).

that argument does not disclose a web server including commands for processing a transaction.

The examiner argues (answer, page 3):

Muftic clearly discloses that one of the advantages of the invention is "to permit world wide electronic commercial transactions to be implemented in a highly secure manner over an open network." (Col. 5, lines 38-41, emphasis added [sic]. Thus, it would have been within the level of ordinary skill in the art to install proprietary software to a merchant service provider server "to permit world wide electronic commercial transactions" by using transaction devices/point of service terminals "over an open network". Further, in this configuration, the transaction devices/point of service terminals would not utilize proprietary software of a merchant service provider to complete the transaction.

Muftic discloses, immediately before the portion cited by the examiner, that Muftic "utilizes smart token technologies and a public key infrastructure" to permit the worldwide electronic transactions referred to by the examiner. The smart token software is on the user's system (col. 12, lines 18-20). The examiner has not pointed out support in Muftic for the examiner's argument that the cited portion of Muftic would have fairly suggested, to one of ordinary skill in the art, installing, on a merchant service provider server, software for completing a transaction. The relevant issue is not whether doing so would have been "within the level of ordinary skill in the art" as argued by the examiner but, rather, is whether the applied prior art itself would have fairly

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suggested doing so to one of ordinary skill in the art. See *In re Rinehart*, 531 F.2d 1048, 1051, 189 USPQ 143, 147 (CCPA 1976).

The examiner points out that Muftic's smart token technology is used to enhance security over an open network (answer, page 6), but the examiner does not point out any disclosure in Muftic as to the location of the software used to complete a transaction. Nor does the examiner explain how Muftic and Athing would have fairly suggested, to one of ordinary skill in the art, a card-reading transaction device or point of service terminal that does not use proprietary software of a merchant service provider to complete a transaction. Portions of Muftic cited by the examiner pertaining to security do not provide such a disclosure (answer, pages 6-7). The examiner argues that Muftic clearly implies such a card-reading transaction device or point of service terminal (answer, page 7), but the examiner provides no evidence in support of that argument.

For the above reasons we conclude that the examiner has not carried the burden of establishing a *prima facie* case of obviousness of the appellant's claimed invention. Therefore, on this record, we are constrained to reverse the examiner's rejections.

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### DECISION

The rejections under 35 U.S.C. § 103 of claims 1-3, 5-15 and 17-19 over Muftic, and claims 4, 16 and 20 over Muftic in view of Athing, are reversed.

*REVERSED*

  
MICHAEL R. FLEMING  
Administrative Patent Judge

*Terry J. Owens*  
TERRY J. OWENS  
Administrative Patent Judge

BOARD OF PATENT  
APPEALS  
AND  
INTERFERENCES

  
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Administrative Patent Judge

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